

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE DEPARTMENT OF WORKFORCE DEVELOPMENT
AND
THE DEPARTMENT OF HEALTH AND FAMILY SERVICES

July 25, 2000

Pursuant to the Governor's veto message of October 30, 1999 and under the direction of the Department of Administration, the Department of Workforce Development (DWD) and the Department of Health and Family Services (DHFS) enter into this agreement for state fiscal year 2001. The purpose of this memorandum is to allocate funding and staff from DWD to DHFS. Both departments expect these allocations will become transfers by legislative action in the 2001-03 State of Wisconsin biennial budget. This memorandum addresses three areas of administration of the Medicaid (MA) program: local administration, CARES, and state administration.

I. Local Administration

- A. DWD will allocate \$21,591,900 GPR from appropriation 315 to DHFS.
- B. DHFS will participate in all negotiations with IM Agencies during the time period of this agreement for the current year's IM Contract and for the 2001 Contract, and co-sign any changes to the current year contract as well as co-sign the Income Maintenance Contract beginning with the calendar 2001 contract. DHFS will adhere to the timeframes established by DWD for reviewing and co-signing contracts so as not to delay the process of negotiating and issuing contracts with local agencies.
- C. DHFS will participate in all negotiations with W-2 Agencies during the time period of this agreement on all matters relating to Medicaid eligibility determination and customer service and co-sign the Medicaid component of the W-2 Contract beginning with the 2002-03 contract. DHFS will adhere to the timeframes established by DWD for reviewing and co-signing the Medicaid component of the W-2 Contract so as not to delay the process of negotiating and issuing contracts with local W-2 agencies.
- D. The share of local administration costs attributed to Medicaid is determined by recipient counts. Future MA caseloads may increase or decrease. DHFS is responsible for providing the entire GPR match for the Medicaid share of local agency administration costs under the current cost allocation plan, including any increase in GPR to cover the match due to future increases in recipient counts.
- E. The allocation of these funds represents DWD's full commitment and obligation to support MA local administration costs. Additional GPR, if

needed, is the responsibility of DHFS.

II. CARES

- A. DWD will allocate \$7,039,600 from appropriation 301 to DHFS.
- B. Both agencies agree to support the maintenance and development of the current CARES system for the current fiscal year.
- C. DWD/DHFS/DOA will continue the CARES Advisory Committee to oversee the development of a joint strategic plan for CARES.
- D. DHFS and DWD agree that both departments are responsible for CARES maintenance work and for work on the common functions. This work shall be identified by the joint System-wide business area, approved by the CARES Executive Committee and documented in the CARES work plan.
- E. DHFS agrees to allocate the funds earmarked for CARES administration in the following order:
 - 1. Operations Costs - InfoTech and BITS charges covering direct and allocated costs for MA work on CARES. [Planned BITS charges related to CARES will be identified in a Service Level Agreement for sfy01.](#)
 - 2. Maintenance and Common Functions – As identified in the CARES work plan.
 - 3. MA Specific Enhancements – As identified by the DHFS/Medicaid business area, approved by the CARES Executive Committee and documented in the CARES work plan.
- F. The allocation of these funds represents DWD's full commitment and obligation to support the cost of MA work in CARES. Any additional charges for MA-related CARES changes will be fully funded by DHFS. Budget authority shall be secured and funding established prior to the development of business specifications for such additional projects.
- G. DHFS will be responsible for providing the any additional GPR match for the Medicaid share of all CARES costs under the current cost allocation plan, including any increase in GPR to cover the match due to future increases in recipient counts.

III. State Administration

- A. DWD will allocate \$2,028,600 GPR from appropriation 301 to DHFS.
- B. DWD will allocate 20 position numbers to DHFS.
- C. DWD/ASD PR-S charges (\$406,500) allocated to Medicaid will continue as described in the current cost allocation plan. These PR-S charges are for services for which Medicaid is a benefiting program. These shall include all general administrative activities, finance and budgeting functions, technical support functions and facilities support activities.
- D. The \$2,028,600 will be allocated in the following order:
 - 1. DHFS will retain \$202,860, representing 10% of the total.
 - 2. DHFS costs of \$762,693 associated with the 20 positions DWD allocates to DHFS.
 - 3. The DWD/ASD charges of \$406,500 GPR allocated to Medicaid.
 - 4. GPR of \$656,547, representing the remainder of the \$2,028,600, will be contracted back to DWD by DHFS to cover services [including](#) contract administration, training, Call Center, [MA MOU Liaison](#) and others. The type and amount of services will be defined through subsequent agreements executed by DHFS and DWD.
- E. The reallocation of 20 positions will consist of at least 15 vacant positions and no more than 5 positions with incumbents. Positions identified under this agreement will be reassigned to DHFS for the remainder of this agreement. It will be the responsibility of DHFS to manage/supervise these positions. Within the available budget it will be the responsibility of DHFS to classify and recruit for the vacant positions. The costs of these positions will be based on the established hourly rate, DWD fringe and indirect costs (PRS rates). If positions are not housed at DWD and support is limited strictly to processing payroll, a lesser PRS rate will be established. The reassignment of positions will be effective as soon as the personnel and payroll mechanisms for these actions are established by the DHFS and DWD personnel offices.
- F. Subject to the provisions of the 2001-03 biennial budget, it is agreed that these position numbers and incumbents will be transferred to DHFS.
- G. [DWD will provide DHFS with its regular monthly reports tracking DES time charging, both direct and allocated, to Medicaid. Both departments acknowledge the importance of accurate time charging and will actively pursue appropriate charging by staff.](#)

- H. The allocation of these funds represents DWD's full commitment and obligation to support Medicaid state administration costs. DHFS is responsible for providing any additional GPR match for the Medicaid share of state administration costs under the current cost allocation plan, including any increase in GPR to cover the match due to future increases in recipient counts.
- I. DHFS agrees to reimburse DWD for all MA-related costs incurred by DWD after July 1, 2000 and until the type and amount of services are defined in the subsequent agreements to be executed by DHFS and DWD. DHFS and DWD agree to conclude these agreements by September 30, 2000.

During the course of state fiscal year 2001, the secretaries of DOA, DWD, and DHFS or their designees will meet quarterly to assess the changes implemented under this MOU to ensure that the objectives of the Governor are being achieved and that local delivery of economic support programs to Wisconsin's citizens is not being compromised.

With the execution of this agreement, the role of DWD in the administration of Medicaid is limited to only those functions and costs specifically enumerated in this MOU. This agreement expires on the effective date of the MA Administration provisions in the 2001-03 biennial budget bill.

Linda Stewart, Ph.D. /s/ 7/31/00
Secretary
Department of Workforce Development

Joe Leean /s/ 7/28/00
Secretary
Department of Health and Family
Services